

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Before Commissioners:

Robert G. Taub, Chairman;
Mark Acton, Vice Chairman;
Tony Hammond; and
Nanci E. Langley

Competitive Product Prices
Global Reseller Expedited Package Services 2
(MC2013-51)
Negotiated Service Agreements

Docket No. CP2016-279

ORDER APPROVING MODIFICATION THREE TO
GLOBAL RESELLER EXPEDITED PACKAGE SERVICES 2 NEGOTIATED SERVICE
AGREEMENT

(Issued October 17, 2017)

I. INTRODUCTION

The Postal Service seeks to modify a Global Reseller Expedited Package Services 2 negotiated service agreement.¹ For the reasons discussed below, the Commission approves the Modification.

¹ Notice of the United States Postal Service of Filing Modification Three to a Global Reseller Expedited Package 2 Negotiated Service Agreement, October 16, 2017 (Notice). The modification is an attachment to the Notice (Modification).

In Order No. 3528, the Commission approved the Global Reseller Expedited Package Services 2 negotiated service agreement (Existing Agreement).² On October 16, 2017, the Postal Service filed notice that it has agreed to the Modification to the Existing Agreement.

II. COMMISSION ANALYSIS

The Commission has reviewed the Notice and the accompanying materials filed under seal.

Cost considerations. The Commission reviews competitive product prices to ensure that each product covers its attributable costs, does not cause market dominant products to subsidize competitive products, and contributes to the Postal Service's institutional costs. 39 U.S.C. § 3633(a); 39 C.F.R. §§ 3015.5 and 3015.7. As long as the revenue generated by the product exceeds its attributable costs, the product is unlikely to reduce the contribution of competitive products as a whole or to adversely affect the ability of competitive products as a whole to contribute an appropriate share of institutional costs. In other words, if a product covers its attributable costs, it is likely to comply with 39 U.S.C. § 3633(a).

The Existing Agreement is set to expire October 31, 2017.³ The Modification revises the expiration date of the contract to November 30, 2017. Notice at 1.

The Modification does not materially affect the underlying financial analysis of the Existing Agreement. Thus, the Commission finds that the Existing Agreement, as

² See Order Approving Additional Global Reseller Expedited Package Services 2 Negotiated Service Agreement, September 22, 2016 (Order No. 3528). The contract was later extended. See Order No. 4000, Order Approving Modification One to Global Reseller Expedited Package Services 2 Negotiated Service Agreement, July 13, 2017; Order Approving Modification Two to Global Reseller Expedited Package Services 2 Negotiated Service Agreement, September 28, 2017 (Order No. 4136).

³ Order No. 3528 at 8 (setting original expiration date as September 30, 2017); Order Granting Motion for Temporary Relief, September 27, 2017, at 3 (Order No. 4127) (extending expiration date to October 31, 2017); Order No. 4136 at 3 (modifying the contract to include the October 31, 2017 expiration date set in Order No. 4127).

modified, comports with the provisions applicable to rates for competitive products in 39 U.S.C. § 3633(a) and 39 C.F.R. § 3015.7.

Other considerations. The Existing Agreement, as modified, is set to expire November 30, 2017. Notice at 1. If the Existing Agreement, as modified, is terminated prior to the scheduled expiration date, the Postal Service shall promptly notify the Commission.

In conclusion, the Commission approves the Existing Agreement, as modified.

III. ORDERING PARAGRAPHS

It is ordered:

1. The Commission approves the Global Reseller Expedited Package Services 2 negotiated service agreement, as modified.
2. The Postal Service shall notify the Commission if the Existing Agreement, as modified, terminates prior to the revised expiration date, November 30, 2017.

By the Commission.

Stacy L. Ruble
Secretary